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TAGS: [PGOV](#) [PREL](#) [UP](#)  
SUBJECT: AND THE BAND PLAYED ON: RADA STALEMATE CONTINUES

REF: A. KYIV 2305  
[1](#)B. KYIV 2294

Classified By: Ambassador William Taylor for reasons 1.4 (b,d).

Summary  
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[1](#)1. (C) On December 4 the Ukrainian parliament (Rada) voted to invite President Yushchenko and PM Tymoshenko to an extraordinary session on December 9 to discuss the "situation in the country." The Rada once again was unable to find consensus on a new Speaker, and voted to close the session after an eight minute discussion (Ref A). Kyiv was rife with speculation that PM Tymoshenko's Bloc (BYuT) and Party of Regions (Regions) had agreed to form a coalition with Regions head Viktor Yanukovich as Rada Speaker. Rada contacts told us that Yanukovich balked at inking a deal at the last minute. Regions announced they will continue to negotiate through the weekend, and BYuT expressed confidence that a deal could be reached. A sub-group of Our Ukraine-People's Self-Defense (OU-PSD) MPs have renewed their efforts to convince a majority of the faction to vote for a BYuT/Lytvyn/OU-PSD coalition before BYuT and Regions can make a deal. President Yushchenko continues to oppose any rapprochement with BYuT. End Summary.

Eight Minute Rada Session  
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[1](#)2. (C) The Rada will remain without a Speaker until at least December 9, as factions were unable to find consensus yet again and the December 4 session was closed after eight minutes. The Rada has been paralyzed since the November 12 ouster of former Speaker Arseniy Yatsenyuk, since no Rada legislation can be sent to the President without the Speaker's signature. The Rada voted to continue meeting in plenary next week, and factions announced that they would continue to negotiate through the weekend. Before the session closed, 353 MPs voted to invite President Yushchenko and PM Tymoshenko to address an extraordinary session of the Rada December 9 to review "the situation in the country."

Regions Backs Away from BYuT: Deal Still Possible?  
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[1](#)3. (C) In the days leading up to the December 4 plenary session, Kyiv was rife with speculation that BYuT and Regions had finally settled on terms for a new coalition, with Tymoshenko retaining her PM position and Yanukovich moving to the Speaker's chair. In an interview on December 3, Yanukovich stated that he was exploring a BYuT/Regions coalition as a way to protect the Ukrainian people from economic catastrophe. Vice Speaker and Regions MP Oleksandr Lavrynovych opened the December 4 plenary by announcing that factions were unable to reach consensus on either a new Speaker or a new coalition.

[1](#)4. (C) BYuT MP Kostyantyn Bondarev told us that Yanukovich

and a large portion of the Regions faction had agreed to the deal, but was persuaded to back away by Regions MPs loyal to oligarch Dmitry Firtash (Ref B), part owner of RosUkrEnergo (RUE) and Tymoshenko foe. They reportedly convinced him that Regions should attempt to carve out a better deal with Yushchenko. Regions MP Volodymyr Makayenko told us that others within Regions did not understand why the party would agree to a coalition without Yanukovych as PM, adding that all the Speaker position would give Yanukovych is a public position to sign anti-crisis legislation "that hurts regular Ukrainians."

15. (C) BYuT MP Valeriy Pysarenko said that, today's events notwithstanding, BYuT and Regions have agreed on about 90 percent of the details necessary to form a coalition -- "only technical details remain." After the session closed, Regions MP Hanna Herman said that Regions was ready to move "from consultations to active negotiation" and expressed hope that a deal could be reached over the weekend. Regions later announced that they had assigned official negotiators to work with all other factions. Herman mentioned that any negotiation with BYuT must include discussions on the PM position. In a shift from BYuT's previous public position, Pysarenko said that BYuT was ready to discuss all positions, including the PM.

16. (C) Makayenko claimed that support within Regions for an alliance with BYuT was far from unanimous. Regions MP Serhiy Lyavochkin, a Firtash ally, announced that Regions would only agree to a coalition if Tymoshenko gave up her PM position - a possible poison pill in the negotiations. He conceded that voluntarily giving up her position was a step she would be unlikely to take. There is also disagreement within BYuT about a coalition with Regions. Transport Minister and BYuT member Yosyp Vynskiy announced he would resign if such a coalition deal were reached. Serhiy Sobolev, BYuT deputy faction head and head of the Reforms and Order Party, told us that he hopes the two factions do not unite. He said he would rather give up all power than be a party to Regions' resurgence.

Yushchenko Courting Chaos: Can OU-PSD Go Around Him?

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17. (C) In a press conference December 4, Yushchenko announced that a Regions/BYuT coalition was a serious threat to democracy, as the coalition would be intent on changing the constitution to weaken the presidency - a move Yushchenko said he would continue to fight. Makayenko dismissed Yushchenko as an obstructionist, interested only in holding onto the presidency. He told us that Yushchenko wants neither Tymoshenko nor Yanukovych as PM, as both are presidential aspirants, so he will not make any deal to break the Rada's paralysis, and will do everything to block any deal done without his blessing. Andriy Yermolaev, Director of local think tank Sofia Center for Social Studies, told us that, if BYuT and Regions agree to a coalition, Ukraine should expect a flood of Kompromat (information intended to compromise or discredit someone) against BYuT and Regions members to be made public by the President's allies.

18. (C) OU-PSD MP Kyrylo Kulikov told us that the potential BYuT/Regions agreement has given new impetus to the insurgent OU-PSD MPs to attempt to form a coalition with BYuT, Lytvyn and a majority of OU-PSD. He said that support for their efforts remained at 33 MPs, but that a number of MPs could possibly be convinced to come to their side to head off a BYuT/Regions coalition. Pysarenko noted that, while BYuT is negotiating with Regions, his party would still be interested in uniting with Lytvyn and OU-PSD. OU-PSD deputy faction head Taras Stetskiv called on Yushchenko to "lift his ban" on such a grouping.

Comment

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19. (C) The current political stalemate has now dragged on for over three months. Whether the mutual distrust among top

political figures can abate long enough for a new coalition to finally form -- perhaps BYuT-Regions at this stage -- remains to be seen. Meanwhile, the economic forecasts are ominous, making the lack of a stable governing coalition needed to deal with the situation ever more glaring.

TAYLOR